REMARKS

Reconsideration of the application, as amended, is respectfully requested.

I. STATUS OF CLAIMS

Claims 1-30 are pending in this application. Claims 1, 8, 9, 18, 19 and 30 have been

amended to more particularly point out and distinctly claim that which applicant regards

as his invention.

It is respectfully submitted that no new matter has been added by virtue of this

amendment. Support for the amended claims are found throughout the specification as

originally filed and in particular on page 3, lines 31-32, page 4, lines 1-6, page 11, lines

25-32 through page 17, lines 1-7. Additional support for the amendments made herein is

expressly found in originally filed claims 8, 18 and 30.

III. 35 U.S.C. 102(b) REJECTIONS

The Examiner rejected claims 1-6 under 102(e) as being anticipated by U.S. Patent

Application Publication No: US 2001/0023193 to Rhoads. ("the Rhoads 193"

publication").

In response, Applicants respectfully assert that the Rhoads 193' publication fails

to anticipate amended independent claim 1, 9 and 19.

Initially, applicants note that independent claims 1, 9 and 19 have been amended

herewith to further clarify that the digitally watermarked image is applied to a substrate

containing at least one taggant, and that the at least one taggant provides additional

information which is utilized in conjunction with the information encoded within the

digitally watermarked image.

The Rhoads 193' publication relates in relevant part to a wireless telephony

device equipped with an optical image sensor, and a lens for imaging an object onto the

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sensor. The optical sensor permits decoding of bar codes, watermarks, etc. from objects imaged by the sensor. One application of such a device is to interact with a remote computer system using data decoded from a bar code or watermark.

However, the Rhoads 193' publication at the very least <u>fails</u> to teach or suggest a hand-held system for use with an object bearing a digitally watermarked image, wherein said digitally watermarked image is applied to a substrate containing <u>at least one taggant</u>, that provides additional information utilized <u>in conjunction with the information encoded within the digitally watermarked image</u>, as recited in amended independent claim 1. There is <u>no</u> mention in the Rhoads '193 publication of using taggants for providing additional information in conjunction with information encoded in a digital watermark. The above point is further supported in the instant Office Action, wherein the Examiner did <u>not</u> cite the Rhoads '193 <u>alone</u> under a 35 U.S.C. 102 against any of the claims introducing at least one taggant utilized in conjunction with the digital watermark (i.e. claims 8, 18 and 30).

Accordingly, for the reasons set forth above, withdrawal of the Examiners' rejection of independent claim 1 is respectfully requested. Moreover, since claims 2-6 depend from and incorporate all of the limitations of independent claim 1, withdrawal of the above rejection to these dependent claims is also respectfully requested.

The Examiner also rejected claims 9-17 and 19-29 under 102(e) as being anticipated by U.S. Patent No. 6,311,214 to Rhoads ("the Rhoads 214' patent").

In response, Applicants respectfully assert that the Rhoads 214' patent fails to anticipate amended independent claims 9 and 19. As mentioned above, independent claims 9 and 19 have been amended herewith to further clarify that <u>at least one taggant</u> provides additional information which is utilized <u>in conjunction with</u> the information encoded within the digitally watermarked image.

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The Rhoads 214' patent relates to stegenographically encoding (digitally watermarking) plural bit data into a printed object such as postal mail, a book, printed advertising, a business card, product packaging, etc. When the above object is presented to an optical sensor, the plural bit data is decoded and used to establish a link to an internet address corresponding to that object.

As with the Rhoads 193' patent, the Rhoads 214' patent also <u>fails</u> to teach or suggest using <u>additional information</u> provided by <u>at least one taggant</u> in <u>conjunction with information encoded</u> within a digitally watermarked image, as recited in amended independent method claims 9 and 19. Similarly, there is no mention in the Rhoads '214 patent of using taggants for providing additional information in conjunction with information encoded in a digital watermark. Moreover, the above points are further supported in the instant Office Action, wherein the Examiner did <u>not</u> cite the Rhoads '214 patent <u>alone</u> under a 35 U.S.C 102 against any of the claims introducing at least one taggant utilized in conjunction with the digital watermark (i.e. claims 8, 18 and 30).

Accordingly, for the reasons set forth above, withdrawal of the Examiners' rejection of independent claims 9 and 19 is respectfully requested. Since, claims 10-17 depend from and incorporate all of the limitations of independent claim 9 and claims 20-29 depend from and incorporate all of the limitations of independent claim 9, withdrawal of the rejection to these dependent claims is also respectfully requested.

IV. <u>35 U.S.C. 103(a) REJECTIONS</u>

The Examiner rejected claim 7 as being obvious over the Rhoads 193' publication as applied to claim 1, and further in view of the Rhoads 214' patent.

As noted above, neither the Rhoads 193' publication <u>nor</u> the Rhoads 214' patent, teaches nor suggests at least one taggant, that provides additional information utilized <u>in</u>

conjunction with the information encoded within the digitally watermarked image., as recited in dependent claim 7, via amended independent claim 1. Withdrawal of the

Examiner's above rejection of claim 7 is therefore respectfully requested.

The Examiner also rejected claim 8 as being obvious over the Rhoads 193' publication and the Rhoads 214' patent, and further in view of U.S. Patent Application Publication No. US 2004/0022444 ("the 444' Rhoads publication") and U.S. Patent No. 5,974,150 to Kaish et al. ("the Kaish patent").

5,57 1,150 to Tailon et al. (the Tailon patent).

In response, Applicants assert that the Examiner <u>cannot</u> make the above proposed combination because the 444' Rhoads publication is <u>not</u> prior art for the purposes cited

by the Examiner.

Namely, the Examiner cites the 444' Rhoads publication in making the above rejection to claim 8 for the subject matter of identifying an object by encoding physical attributes comprising e.g. a set of taggants in association with the object, and wherein the encoded information is utilized as at least one element for composing a digital watermark for the object. The Examiner further asserts that in another embodiment the physical attributes (e.g. set of taggants) are utilized as a key for accessing information included in a digital watermark for the object.

However, the Rhoads 444' publication has an actual filing date and a publication

date which both occur after the earliest effective filing date of the present application.

Specifically, the filing date of the Rhoads 444' publication is November 1, 2002 and its

publication date is February 5, 2004, whereas the earliest effective filing date of the

present application is August 15, 2000, the provisional application priority date.

Moreover, all of the earlier applications which the Rhoads 444' publication

claimed priority from and which subsequently issued as U.S. patents each appear to fail

to teach or suggest the subject matter for which the Examiner cited the Rhoads 444'

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publication for. (i.e. using taggants with a digital watermark image for identifying or authenticating an object). Further, there is <u>no</u> evidence of record adduced by the Examiner to show that any of the applications in the chain of claimed priority of the Rhoads 444' publication having an effective filing date earlier than August 15, 2000, enables or supports the subject matter of using taggants with a digital watermark. Therefore, the Rhoads 444' publication appears to be <u>non-enabling</u> for the subject matter asserted by the Examiner in making his rejection and this reference thus <u>cannot</u> constitute prior art.

Since, for the reasons set forth above, the Examiner cannot make his proposed combination using the Rhoads 444' publication to reject claim 8, withdrawal of the Examiners' rejection of this claim is therefore respectfully requested.

The Examiner also rejected claims 18 and 30 as being obvious over the Rhoads 214' patent as applied to claims 9 and 19 above, and further in view of the 444' Rhoads publication and the Kaish patent.

In response, Applicants assert that the 444' Rhoads publication is <u>not</u> prior art for the intended purpose set forth by the Examiner in making this rejection to claims 18 and 30. The reasons that the 444' Rhoads publication does not constitute prior art is the same as set forth above with regard to claim 8.

Withdrawal of the Examiners' rejection of claims 18 and 30 is therefore respectfully requested.

V. CONCLUSION

It is believed that all pending claims as currently presented are in condition for allowance. A notice of allowance is respectfully requested.

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According to currently recommended Patent Office policy, the Examiner is requested to contact the undersigned at the telephone number provided below in the event that a telephone interview will advance the prosecution of this application. An early and favorable action is earnestly solicited.

In addition, a petition for a one (1) month extension of time for responding to the current Office Action, together with a check in the amount of \$55.00 to cover the petition are enclosed herewith. It is noted that the applicant is a small entity. No other fees are believed due with this amendment. However, if there are any additional fees due, then please charge them to deposit account no.: 50-1924.

Respectfully subpritted

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CERTIFICATE OF MAILING

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I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail in an envelope addressed to: Commissioner for Patents, P.O. BOX 1450, Alexandria, VA 22313-1450.

6/29/04

Date